

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7757

BILL NUMBER: SB 381

DATE PREPARED: Jan 11, 2001

BILL AMENDED:

SUBJECT: Small Claims Jurisdiction.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill specifies that the small claims jurisdiction of the circuit courts, superior courts, and county courts includes cases where the amount in controversy is not more than \$6,000. It also allows a corporation to appear in a small claims proceeding without counsel.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: *Loss to the General Fund* - The change in the threshold from \$3,000 to \$6,000 will reduce revenue to the State General Fund if these actions are filed as small claims cases instead of civil plenary cases. The fee for a civil plenary case is \$100, of which \$70 is deposited into the State General Fund. The fee for a small claims case is \$35, of which \$24.50 is deposited in the State General Fund. Consequently, *the State General Fund would receive \$45.50 less for each case that is filed as a small claims case rather than as a civil plenary case.*

The number of civil plenary cases with claims between \$3,000 and \$6,000 is not known. Consequently, the potential revenue loss is indeterminable.

Explanation of Local Expenditures: Small claims divisions have very high volume and require considerable staff resources, particularly since the litigants often are not represented by attorneys and do not understand court procedures. Consequently, many courts have several staff people assigned to help litigants with filing claims, giving directions, and answering telephone calls. If the small claims caseload increases, courts with small claims jurisdictions may need to either increase staff or reassign staff from other court functions to accommodate the increased number of litigants.

Explanation of Local Revenues: *Loss to Local Funds* - The change in the threshold from \$3,000 to \$6,000

will reduce revenue to the local general funds if these actions are filed as small claims cases instead of civil plenary cases. The local general funds receive 30% of the court fees. In the case of civil fees (\$100), they receive \$30, while in small claims cases (\$35), they receive \$10.50. Consequently, for each case that is filed in small claims court rather than as a civil plenary case, the local governments would receive \$19.50 less.

In counties other than Marion County, a total of 206,216 small claims actions were filed in courts of record with small claims jurisdiction in 1999. A total of 71,778 civil plenary actions were filed in courts of record in 1999. No information is available regarding the number of cases for amounts between \$3,000 and \$6,000.

The Marion County Small Claims Courts have original and concurrent jurisdiction with the Circuit and Superior courts in Marion County in landlord-tenant disputes and in property disputes where the amount in contest does not exceed \$6,000.

State Agencies Affected:

Local Agencies Affected: Courts of record with small claims jurisdiction.

Information Sources: 1999 Indiana Judicial Report (Vol. I); Lilia Judson, Executive Director, Division of State Court Administration.